

APR 1940

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DOS review completed

GENERAL

1. CEEC seen as force for integration of Europe--The Department of State, with the concurrence of the administrator of the Economic Cooperation Agency, has informed US observers at the Paris meeting of the Committee on European Economic Cooperation (CEEC) that the US considers the European recovery program to be but one aspect of the larger objective of strengthening the western European community. The Department believes that: (a) this objective cannot be achieved without much closer economic integration than in the past; (b) the CEEC provides a focal point for closer economic cohesion in western Europe; and (c) the CEEC should therefore be strengthened by staffing it with first-class personnel and by assigning it a significant role in coordinating US aid.

EUROPE

2. AUSTRIA: Travel control tightened in Soviet Zone--US representatives in Vienna report increased Soviet restrictions on the movement of US personnel, including diplomatic couriers, through the Soviet Zone. The US Legation observes that this tightening of Soviet restrictions, though instituted allegedly as retaliation for US restrictions on the activities of the Soviet Reparations Commission in the US Zone, is probably prompted by broader considerations and that the Soviet commander has stated frankly that these restrictions were taken not only to tighten security in the Soviet Zone but also to embarrass the US.

(CIA Comment: If the current negotiations for an Austrian treaty break down, the USSR will probably further increase its travel restrictions in order to reduce the size and effectiveness of the US, the British, and French establishments in Vienna.)

3. ITALY: French attitude on Italian elections--According to US Ambassador Caffery in Paris, French officials, who are more optimistic over the Italian elections, ~~than they were ten days~~ **666**

State Dept. declassification & release instructions on file

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NO CHANGE in Class. ☐

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ago, plan shortly to announce frontier corrections in favor of Italy and an amnesty for certain Italians in France accused of wartime economic collaboration. Caffery reports that Bidault may also suggest at an early date the inclusion of Italy in the western European union pact. Caffery adds that Bidault believes the USSR might bring about some "massive counter-balancing move just before the elections."

(CIA Comment: The French-Italian frontier corrections and the proposed amnesty would have a favorable effect on the elections. The Italian Government has made it clear, however, that it would consider participation in the western union prior to the elections to be very dangerous politically.)

FAR EAST

4. **SIAM: Phibul to form new government--US Ambassador Stanton in Bangkok has been informed by a member of the Siamese Supreme Council of State that Marshal Phibul has been offered the post of premier after Premier Abhaiwong's resignation was forced by a group of extremist military officers (see Weekly Summary of 9 April, page v). The military group reportedly insisted that only Phibul would be acceptable to them; the Supreme Council then decided that, in view of the neutrality of the Siamese Navy and Air Force, there was no alternative but to appoint Marshal Phibul. Stanton's source observed that Phibul would probably experience difficulty in forming a government of good men and believed it "not improbable" that Phibul and his government would be overthrown "in a few months time."**

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